Operational Risk Management

Operational Risk Management

MCO 3500.27A (B)

OPNAVINST 3500.39A (B)

FM 100-14 Risk Management

Purpose of ORM

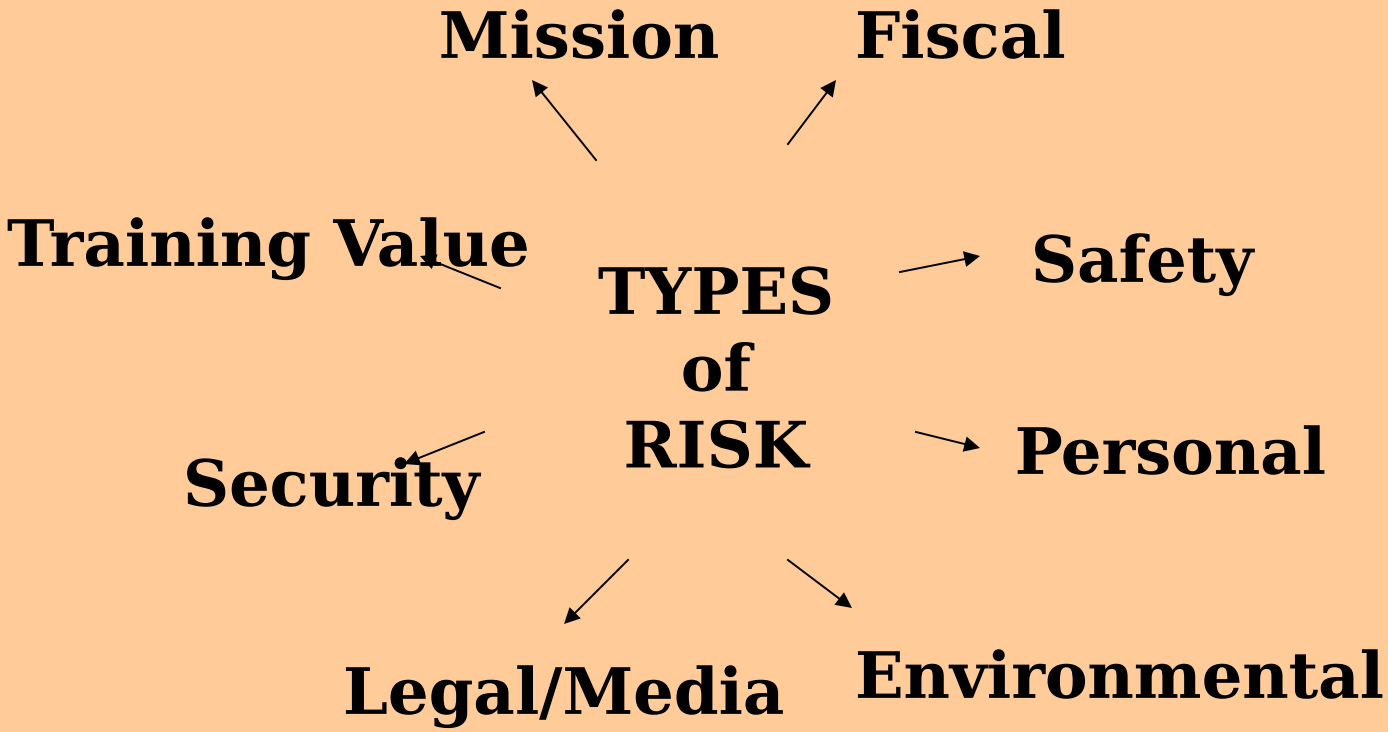
- The purpose of ORM can be defined as enhancing hazard identification in the operational/Off-duty environment in order to eliminate risks or *reduce them to an acceptable level.*

ORM Goals

- Ensure Mission Accomplishment
- Enhance Efficiency & Effectiveness

CONSERVE RESOURCES !!!

Demensions of Risk



Changing one element often influences other elements positively or negatively

Risk Management Process

STEP 1: Identify Hazards

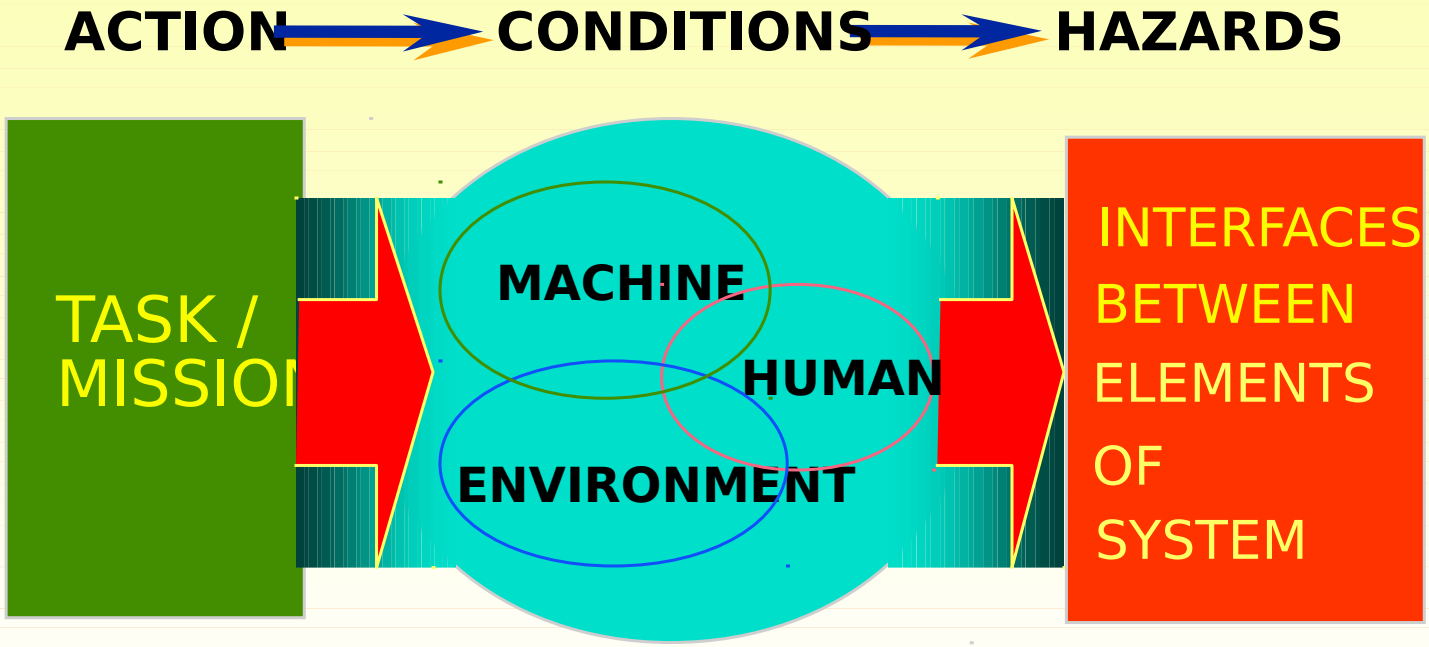
Risk Management Process

Identify Hazards

Identify hazards to *protect the force.*

Consider all aspects of current and future situations, environment, and known historical problem areas

What are Hazards?



Hazard: **Any real or potential condition that can cause injur**
illness, or death of personnel, damage to or loss of equipment
or property, or mission degradation.

the difference between low and e-high risk is..

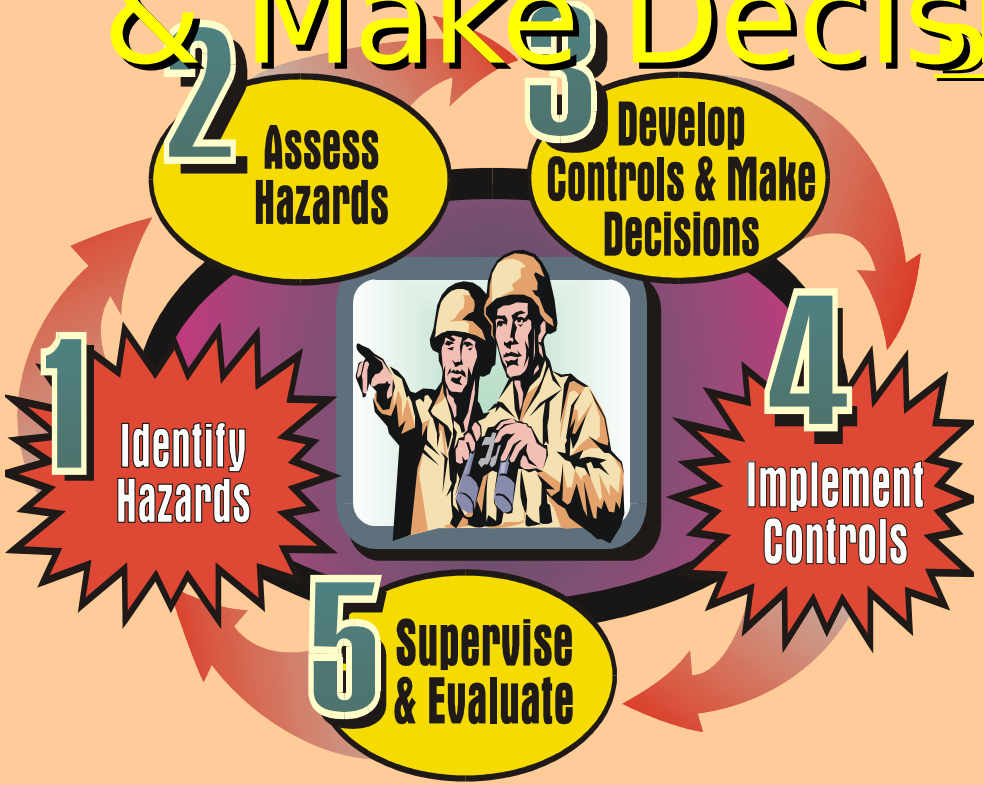
STEP 2: Assess Hazards

Risk Management Process

Assess Hazards

Assess hazards to determine risks. Assess the impact of each hazard in terms of potential loss and cost, based on probability and severity.

STEP 3: Develop Controls & Make Decision



Risk Management Process

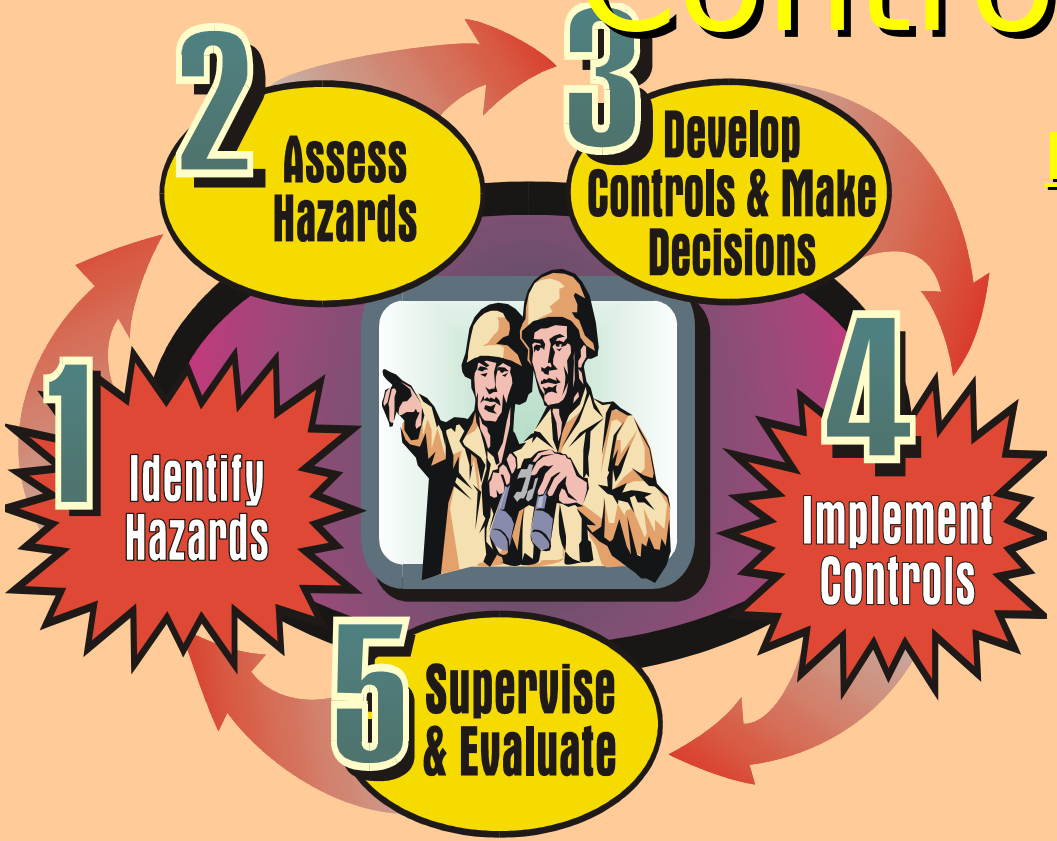
Develop Controls & Make Risk Decisions

Develop control measures that eliminate the hazard or reduce its risk to an acceptable level. As control measures are developed, risks are reevaluated until all risks are reduced to a level where benefits outweigh potential cost

Risk Control Options

- Engineering
  - ✓New Technology, design, substitute material
- Education
  - ✓Collective/individual training
- Administrative
  - ✓Establishing written programs, limiting exposure
- Physical
  - ✓Barriers, road guards, warning signs
- Operational
  - ✓Map exercises, rehearsals, pace of

STEP 4: Implement Controls



Risk Management Process

Implement Controls

Put controls in place that eliminate the hazards or reduce their risks.

Why Risk Controls Often Fail

- The control is inappropriate for the
- Operators become complacent
- Costly financial constraints
- It is overmatched by other priorities
- It is misunderstood
- Not following progress of control m
- Environmental constrains
- Lack of supervision

TEP 5: Supervise & Evaluate

Risk Management Process

Supervise & Evaluate

Perform to, and enforce standards and controls. Evaluate the effectiveness of controls and adjust/ update as necessary.

Supervise - HOW

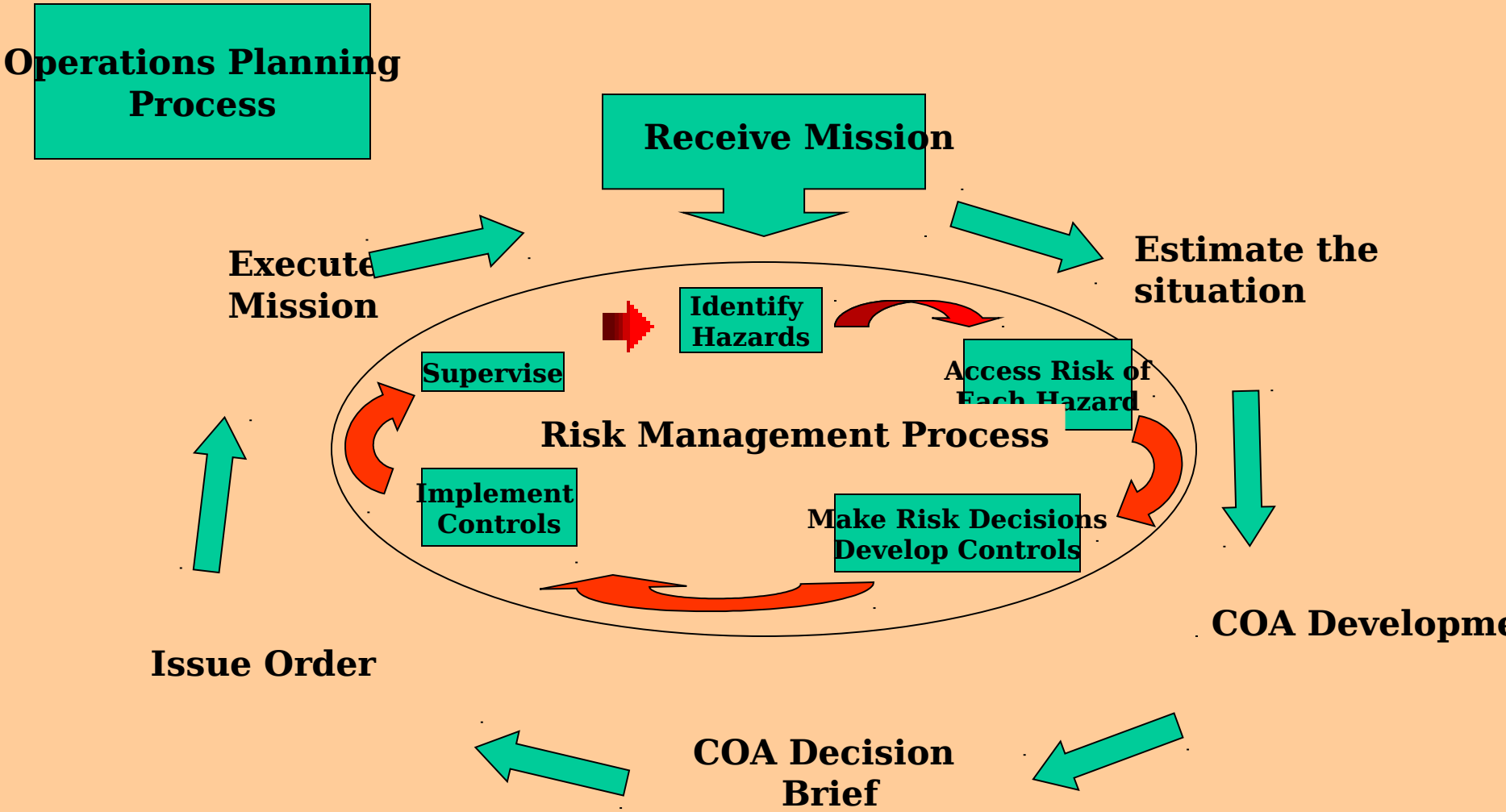
- Monitor and Enforce controls
- Use evaluation Techniques
- Examine data
- Evaluate effectiveness of controls and
Revise if necessary

Evaluation Tools

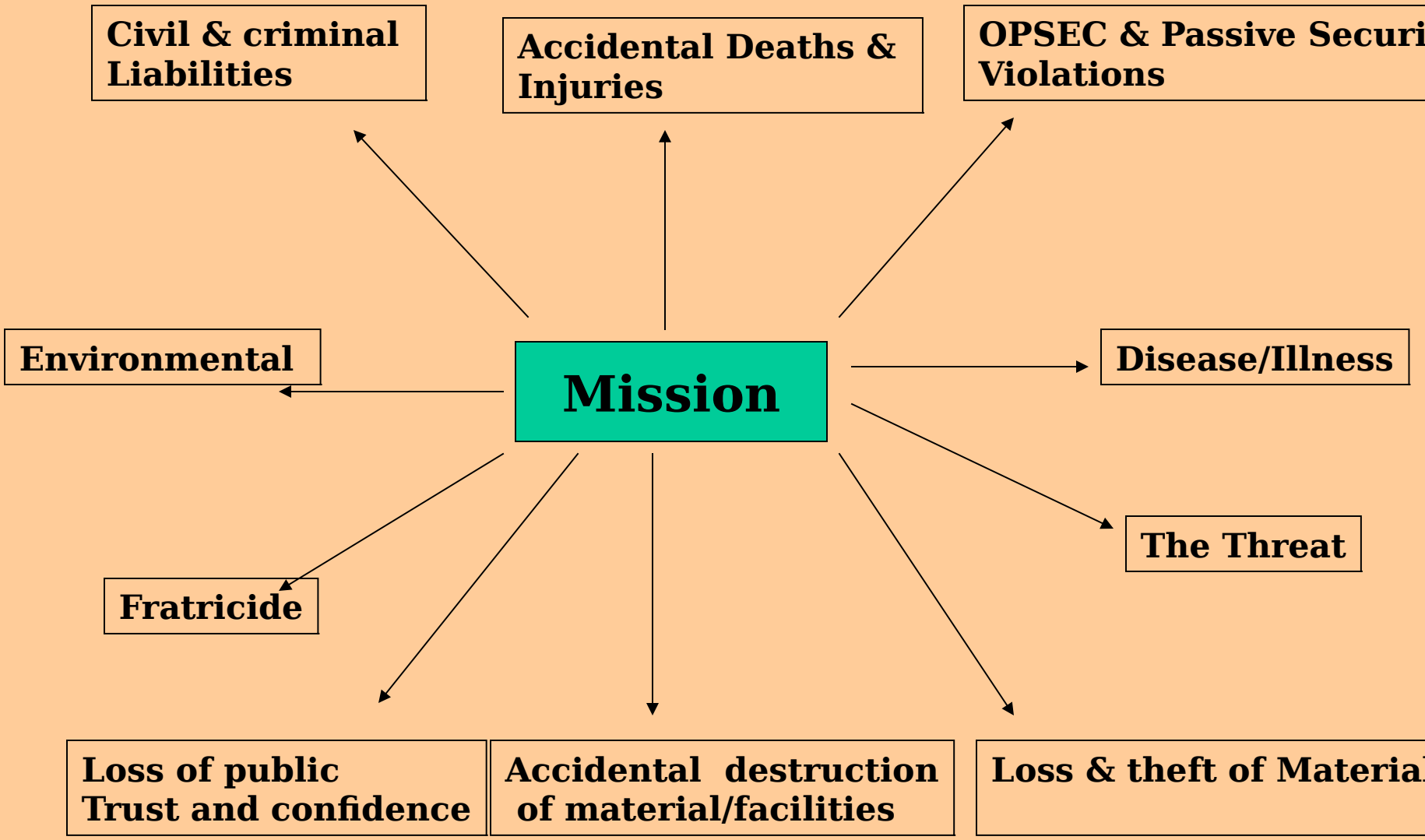
- Spot Checks/Back Briefs
- Audits/Inspections
- Readiness Reports
- Licensing
- Rehearsals
- Certification Procedures

RISK MANAGEMENT INTERGRATION

AND THE MILITARY DECISION MAKING PROCESS



Risk Threatens Combat Power and It's Capabilities



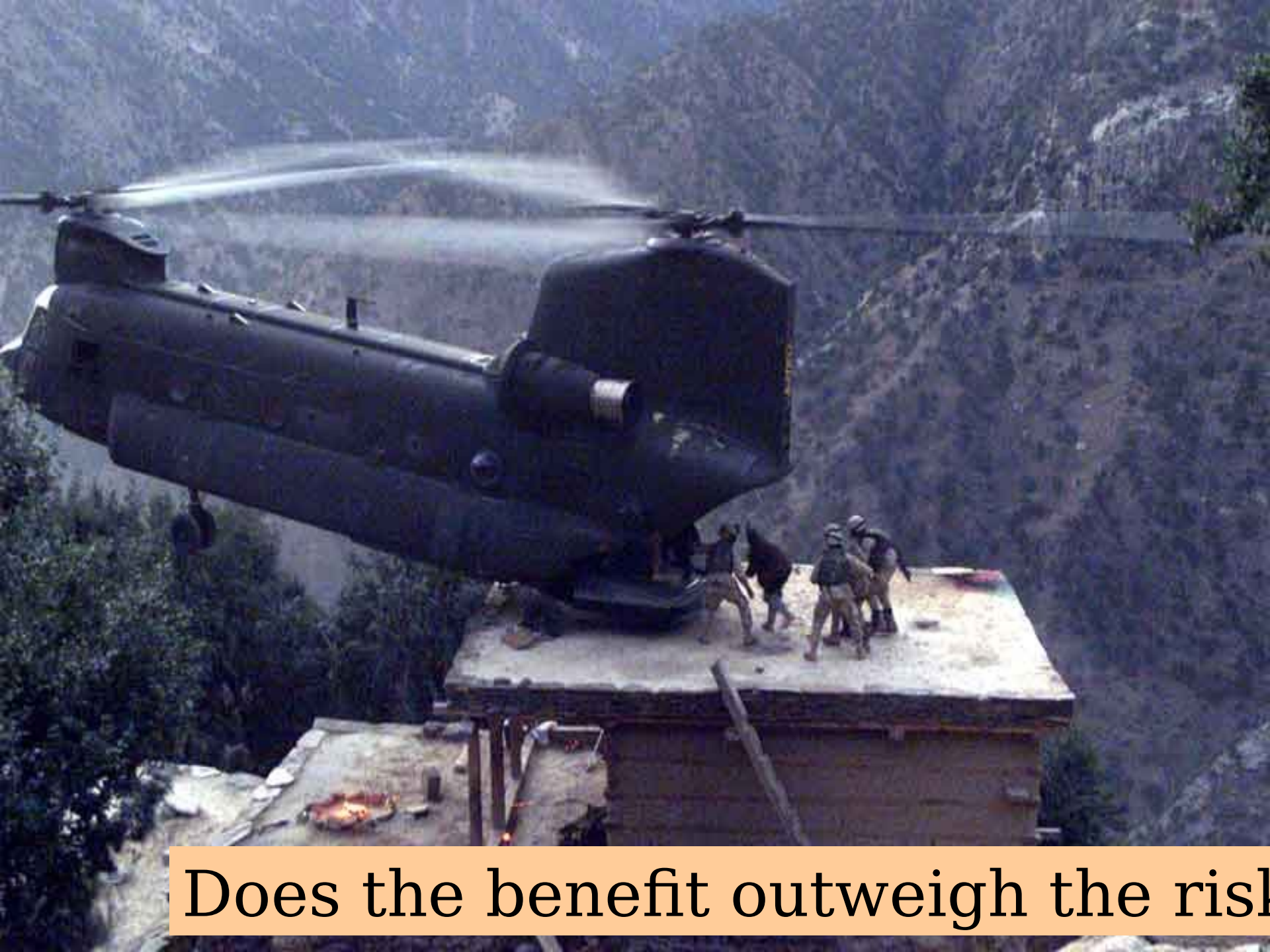
Three levels of Application

- TIME CRITICAL

  Walking the dog
- DELIBERATE

  Military Police – vehicles entering air station
- IN-DEPTH

  Air show


Does the benefit outweigh the risk

Final Note

Risk management is not an additional task, it is a process that will be incorporated into everything we do--on and off Duty. Doing so, provides reasonable alternatives for successful task accomplishment and empowers users to make informed decisions.

Summary

- Enhances operational mission accomplishment
- Saves Equipment, People, Time….it saves

RESOURCES !!!!!

Questions?